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C O N F I D E N T I A L SECTION 01 OF 03 ROME 005255

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DEPT FOR EUR/WE AND EUR/ERA.

E.O. 12958: DECL: 10/28/2012

CONFIDENTIAL

PAGE 02 ROME 05255 01 OF 03 280906Z

TAGS: PREL ECON EFIN IR TU EU EAGR ECON EFIN IR TU EU EAGR ECON EFIN IR TU EU EAGR IT ITPREL ITPREL

SUBJECT: GOI BRIEFS USEU AMB SCHNABEL ON EU PRESIDENCY  
PRIORITIES, IRAN, TURKEY, BIOTECH

REF: ATHENS

CLASSIFIED BY: DCM EMIL SKODON. REASON: 1.5 (B)(D).

1. (U) THIS IS A JOINT USEU/EMBASSY ROME CABLE.

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SUMMARY  
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2. (C) IN PREPARATION FOR ITALY,S PRESIDENCY OF THE EU DURING THE SECOND HALF OF 2003, U.S. AMBASSADOR TO THE EU ROCKWELL SCHNABEL PAID INTRODUCTORY CALLS ON ITALIAN MFA SECRETARY GENERAL GIUSEPPE BALDOCCI AND GIOVANNI

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CASTELLANETA, DIPLOMATIC ADVISOR TO THE PRIME MINISTER, OCTOBER 17. BALDOCCI QUESTIONED THE GREEK,S ABILITY TO SUCCESSFULLY HANDLE THE 2003 U.S.-EU SUMMIT AND EXPRESSED INTEREST IN A SECOND SUMMIT DURING THE ITALIAN PRESIDENCY. BOTH OFFICIALS FELT THE EU HAD FALLEN SHORT BY FAILING TO PROVIDE THE TURKS A DATE CERTAIN TO BEGIN ACCESSION TALKS. BOTH WANTED THE GAC TO SEND A SUPPORTIVE MESSAGE TO TURKEY IN ADVANCE OF THE NOVEMBER 3 ELECTION. THOUGH BOTH OFFICIALS CONFIRMED NO FINAL DECISION ON ITALY,S EU PROGRAM HAD BEEN TAKEN, THEY INDIVIDUALLY LISTED CONCLUSION OF THE EU,S CONSTITUTIONAL PROCESS, ENLARGEMENT, THE MEDITERRANEAN, AND ILLEGAL IMMIGRATION AS KEY AREAS FOR FOCUS. BOTH WERE LESS OPTIMISTIC OVER FINDING A WAY OUT ON THE U.S.-EU DISAGREEMENT  
CONFIDENTIAL

PAGE 03 ROME 05255 01 OF 03 280906Z  
OVER AGRICULTURAL BIOTECHNOLOGY. END SUMMARY.

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BALDOCCI  
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PRESIDENCY PROGRAM  
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3. (C) MFA SECRETARY GENERAL BALDOCCI TOLD THE AMBASSADOR THAT PREPARING FOR THE EU PRESIDENCY WOULD BE A "BURDEN." THE ORGANIZATIONAL REQUIREMENTS WOULD BE CONSIDERABLE. THE GOI WAS CURRENTLY WORKING TO SET OUT ITS PRIORITIES. THE MFA'S DIRECTOR GENERAL FOR EUROPEAN INTEGRATION, ROCCO CANGELOSI, IS FOLLOWING THROUGH DIRECTLY ON THE INITIATIVE. (EMBASSY NOTE, CANGELOSI IS DESIGNATED TO BE COUNTERPART TO U/S LARSON FOR PRESIDENCY ISSUES.) HE EXPECTED AN ANNOUNCEMENT OF AN ITALIAN PROGRAM "IN THE NEXT FEW WEEKS." THAT AGENDA WOULD NEED POLITICAL, AS WELL AS PARLIAMENTARY APPROVAL

4. (C) HIGHEST ON THE AGENDA WOULD BE AN INTERGOVERNMENTAL CONFERENCE (IGC) THAT WOULD PREFERABLY OPEN AND CLOSE DURING THE ITALIAN PRESIDENCY. THERE WAS MUCH MORAL SUPPORT FOR A SIGNING A SECOND "TREATY OF ROME", BUT THE FINAL OUTCOME WOULD DEPEND ON THE OUTCOME OF THE CURRENT CONVENTION ON THE FUTURE OF EUROPE AND WHETHER IT WOULD BE ABLE TO PRODUCE AN ACCEPTABLE "CONSTITUTIONAL TREATY" FOR THE EU. BALDOCCI ADMITTED THE CONVENTION REMAINED DIVIDED. BUT OPTIONS FOR DEALING WITH EUROPEAN INSTITUTIONAL QUESTIONS, HOWEVER THEY AROSE, COULD NOT BE REALISTICALLY CONSIDERED UNTIL 2003.

CONFIDENTIAL

PAGE 04 ROME 05255 01 OF 03 280906Z

5. (C) REGIONALLY, BALDOCCI SAID THE MEDITERRANEAN ALSO SPARKED INTEREST, DRIVEN LARGELY BY CONCERNS OVER TERRORISM. ITALIAN PROXIMITY TO THE BALKANS ALSO ENSURED THAT AN EFFORT TO MAINTAIN MOMENTUM IN THAT REGION WOULD BE CONSIDERED FOR FOCUS. BALDOCCI ADDED TRANSATLANTIC RELATIONS WOULD FIGURE PROMINENTLY.

6. (C) AMBASSADOR SCHNABEL SAID HE HOPED THE U.S. AND EU COULD MAKE PROGRESS ON THE EUROPOL II AGREEMENT. BALDOCCI NOTED THAT JHA COOPERATION WOULD BE PART OF THE ITALIAN AGENDA. HE COMMENTED THAT TRAFFICKING IN PERSONS HAS BECOME MORE PRESSING AS AN ISSUE AS THE EU MOVES CLOSER TO ENLARGEMENT. HE PERSONALLY WANTED TO SEE THE COMMUNITY

ASSUME MORE RESPONSIBILITY. CEMENTING ACHIEVEMENTS IN THE  
INTERNAL MARKET AND FINANCIAL IMPLICATIONS OF THE IMPENDING  
ENLARGEMENT WOULD ALSO BE UNDER CONSIDERATION FOR THE  
PRESIDENCY PROGRAM.

SUMMITS  
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17. (C) BALDOCCI TOLD THE AMBASSADOR HE UNDERSTOOD THE  
EARLIER U.S. DECISION TO MOVE TO ONE U.S.-EU SUMMIT PER YEAR,  
AND ACKNOWLEDGED THAT STICKING TO TRADITION WOULD MEAN THAT

CONFIDENTIAL

CONFIDENTIAL PTQ8861

PAGE 01 ROME 05255 02 OF 03 280907Z  
ACTION EUR-00

INFO	LOG-00	NP-00	AGRE-00	AID-00	CEA-01	CIAE-00	CTME-00
	INL-00	DODE-00	DOTE-00	PERC-00	SRPP-00	DS-00	EB-00
	EXIM-01	E-00	FAAE-00	FBIE-00	VC-00	FRB-00	H-01
	TEDE-00	INR-00	ITC-01	L-00	VCE-00	AC-01	NEA-00
	DCP-01	NSAE-00	NSCE-00	OMB-01	OPIC-01	PA-00	PM-00
	PRS-00	ACE-00	P-00	SCT-00	SP-00	SSO-00	SS-00
	STR-00	T-00	USIE-00	EPAE-00	PMB-00	DSCC-00	PRM-00
	DRL-02	G-00	NFAT-00	SAS-00	SWCI-00	/010W	

-----FF1819 280907Z /38

O 280815Z OCT 02  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC IMMEDIATE 6597  
USEU BRUSSELS IMMEDIATE 2876  
INFO EU CANDIDATE STATES COLLECTIVE PRIORITY  
EU INTEREST COLLECTIVE PRIORITY  
EU MEMBER STATES COLLECTIVE PRIORITY  
AMCONSUL FLORENCE PRIORITY  
AMCONSUL MILAN PRIORITY  
AMCONSUL NAPLES PRIORITY  
DEPT OF TREASURY WASHDC PRIORITY  
USDOC WASHDC PRIORITY

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CONFIDENTIAL

PAGE 02 ROME 05255 02 OF 03 280907Z

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PRIORITIES, IRAN, TURKEY, BIOTECH

SUMMIT SHOULD FALL DURING THE GREEK PRESIDENCY. THE QUESTION  
OF JUST HOW THE GREEKS WOULD HANDLE THE SUMMIT TASK WAS OF  
GREAT INTEREST TO THE ITALIANS. WHILE BALDOCCI UNDERSTOOD  
THE DEMANDS ON PRESIDENT BUSH,S SCHEDULE WERE GREAT, AND THE  
CONCERN THAT THERE WOULD BE LITTLE IN THE WAY OF "NEW  
DISCOVERIES" MADE AT A SECOND SUMMIT, HE ASKED WHETHER, GIVEN  
THE IMPORTANCE OF THE RELATIONSHIP, ONCE OR TWICE A YEAR WAS  
MORE APPROPRIATE. HE SAW THE MEETING AS MORE THAN SYMBOLIC.  
IT WAS PART OF THE CLOSE CHARACTERISTIC OF U.S.-EU RELATIONS.

TURKEY  
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18. (C) AMBASSADOR SCHNABEL NOTED THE IMPORTANCE OF  
INCLUDING TURKEY AS A VITAL PART OF A STRONG EUROPE.  
BALDOCCI SAID HE HAD BEEN PERSONALLY DISAPPOINTED BY THE  
OCTOBER 9 COMMISSION REPORT LANGUAGE, DESCRIBING HIS POSITION  
AS "CLOSER TO THE AMBASSADOR,S." THE EU HAD RECEIVED CLEAR  
INDICATORS FROM THE GOT OF A WILL TO CHANGE. HE HOPED THAT  
UNDER AN ITALIAN PRESIDENCY IT WOULD GIVE A CONCRETE SIGNAL  
TO THE TURKS. HE WAS WORKING TO PRESS THE IDEA OF TURKEY AS  
AN IMPORTANT COUNTRY THAT SHOULD BE PART OF EUROPE WITHIN THE  
GOI. RESPONDING TO DCM,S SUGGESTION THAT A POSITIVE SIGNAL  
WOULD BE NEEDED BEFORE NOVEMBER 3 TURKISH ELECTIONS, BALDOCCI  
NOTED AN OCTOBER 18 MEETING TO PREPARE FOR THE GENERAL  
AFFAIRS AND EXTERNAL RELATIONS COUNCIL MEETING ON OCT. 21-22.

CONFIDENTIAL

PAGE 03 ROME 05255 02 OF 03 280907Z

AT THAT SESSION, HE WOULD PERSONALLY PRESS FOR A POSITIVE EU  
SIGNAL TO TURKEY BEFORE THE END OF OCTOBER.

IRAN  
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19. (C) RESPONDING TO THE DCM,S QUESTION ON THE ITALIAN  
PRESIDENCY,S TAKE ON IRAN AND THE EU'S WILLINGNESS TO  
INTRODUCE A UNCHR RESOLUTION, BALDOCCI NOTED THAT AS ITALIAN  
AMBASSADOR IN TEHRAN IN THE MID-1980S, HE HAD BEEN IMPRESSED  
BY THE SIGNIFICANT CHANGES HE HAD WITNESSED. IRAN REMAINED  
HIGH ON THE EU AGENDA, BUT JUST HOW ITALY WOULD APPROACH A

RESOLUTION REMAINED TO BE DECIDED. THE DCM NOTED THAT THE U.S. WAS NOT OPPOSED TO ENGAGEMENT PER SE, BUT WOULD EXPECT THAT THE EU WOULD COMMENT ON UNACCEPTABLE ASPECTS OF IRANIAN POLICY. BALDOCCI AGREED TO CONSIDER THE REQUEST. HE NOTED THAT GREAT BUT GRADUAL CHANGES WERE TAKING PLACE IN IRAN. WHILE THOSE IN POWER WERE NOT TRUSTWORTHY, IT WOULD BE IMPORTANT TO FIND WAYS TO ENGAGE THE YOUNGER GENERATION. IRANISANS HE KNEW WERE EAGER FOR GOOD RELATIONS WITH THE UNITED STATES.

BIOTECH  
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110. (SBU) NOTING ITALIAN CULTURAL CONCERNS, THE AMBASSADOR ASKED HOW ITALY WOULD CARRY FORWARD THE BIOTECH ISSUE DURING ITS PRESIDENCY. WHILE ADMITTING HE DID NOT FOLLOW THE DOSSIER HIMSELF, BALDOCCI NOTED THAT BEFORE ADOPTING REGULATIONS ON SENSITIVE ISSUES WITH TRANSATLANTIC EFFECTS LIKE BIOTECH, HE SUPPORTED MORE IN DEPTH CONSULTATION.

CONFIDENTIAL

PAGE 04 ROME 05255 02 OF 03 280907Z

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CASTELLANETA  
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PRESIDENCY PROGRAM  
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111. (C) THE PM'S DIPLOMATIC ADVISOR GIOVANNI CASTELLANETA TOLD THE AMBASSADOR THAT WHILE SENIOR OFFICIALS IN THE GOI WERE STILL COLLECTING IDEAS, HE BELIEVED THE OUTCOME OF THE EU CONSTITUTIONAL CONVENTION, IMPROVING ECONOMIC TIES IN THE MEDITERRANEAN (THE BARCELONA PROCESS), COMPLETING MEMBER STATE RATIFICATION OF THE ENLARGEMENT, AND COMBATING ILLEGAL IMMIGRATION WOULD LIKELY BE KEY PRIORITIES DURING THE ITALIAN PRESIDENCY. HE ADDED THAT LINKED WITH ILLEGAL IMMIGRATION, THE QUESTION OF TERRORISM MIGHT ALSO BE ADDRESSED. WHILE SPRING COUNCILS TRADITIONALLY DEALT WITH THE LISBON PROCESS, GIVEN THE IMPORTANCE OF EMPLOYMENT TO THE CENTER RIGHT BERLUSCONI GOVERNMENT, IT MIGHT ALSO FIND A PLACE IN THE PROGRAM.

112. (C) RESPONDING TO AMBASSADOR SCHNABEL,S COMMENT THAT PREVIOUS U.S.-EU SUMMITS HAD NOT WARRANTED EXTENSIVE MEDIA COVERAGE, CASTELLANETA NOTED THE COUNCIL "NEEDED A PRESIDENT"

CONFIDENTIAL

CONFIDENTIAL PTQ8862

PAGE 01 ROME 05255 03 OF 03 280907Z  
ACTION EUR-00

INFO	LOG-00	NP-00	AGRE-00	AID-00	CEA-01	CIAE-00	CTME-00
	INL-00	DODE-00	DOTE-00	PERC-00	SRPP-00	DS-00	EB-00
	EXIM-01	E-00	FAAE-00	FBIE-00	VC-00	FRB-00	H-01
	TEDE-00	INR-00	ITC-01	L-00	VCE-00	AC-01	NEA-00
	DCP-01	NSAE-00	NSCE-00	OMB-01	OPIC-01	PA-00	PM-00
	PRS-00	ACE-00	P-00	SCT-00	SP-00	SSO-00	SS-00
	STR-00	T-00	USIE-00	EPAE-00	PMB-00	DSCC-00	PRM-00
	DRL-02	G-00	NFAT-00	SAS-00	SWCI-00	/010W	

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O 280815Z OCT 02  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC IMMEDIATE 6598  
USEU BRUSSELS IMMEDIATE 2877  
INFO EU CANDIDATE STATES COLLECTIVE PRIORITY  
EU INTEREST COLLECTIVE PRIORITY  
EU MEMBER STATES COLLECTIVE PRIORITY  
AMCONSUL FLORENCE PRIORITY  
AMCONSUL MILAN PRIORITY  
AMCONSUL NAPLES PRIORITY  
DEPT OF TREASURY WASHDC PRIORITY  
USDOC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 03 OF 03 ROME 005255

SIPDIS

DEPT FOR EUR/WE AND EUR/ERA.

E.O. 12958: DECL: 10/28/2012

CONFIDENTIAL

PAGE 02 ROME 05255 03 OF 03 280907Z

TAGS: [PREL](#) [ECON](#) [EFIN](#) [IR](#) [TU](#) [EU](#) [EAGR](#) [ECON](#) [EFIN](#) [IR](#) [TU](#) [EU](#) [EAGR](#) [ECON](#) [EFIN](#) [IR](#) [TU](#) [EU](#) [EAGR](#) [IT](#) [ITPREL](#) [ITPREL](#)  
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TO GET ATTENTION AND GISCARD WAS LEANING IN THAT DIRECTION IN THE CONVENTION. ONE OF GISCARD'S DEPUTIES, FORMER PM AMATO, AND THE ITALIAN DELEGATION, LED BY DEPUTY PM FINI, HAVE BEEN AMONG THE GREATEST SUPPORTERS OF A STRONGER EUROPE. THE INSTITUTIONS NEED TO BE REORGANIZED. BERLUSCONI, WHO "DID

NOT LIKE TECHNICALITIES," FELT "PILLARS" SHOULD BE ABOLISHED.  
REFORM SHOULD SIMPLIFY THE EU PROCESS AND CLARIFY  
COMPETENCIES OF THE COMMUNITY AND MEMBER STATES. WITHOUT  
CHANGING THE INSTITUTIONAL BALANCE, STREAMLINING DECISION  
MAKING, ESPECIALLY WITH 25 MEMBERS, WOULD CREATE A MORE  
COMPETITIVE EUROPE.

13. (C) SCHNABEL ASKED ABOUT BERLUSCONI,S SPECIFIC GOALS.  
CASTELLANETA SAID GISCARD SHOULD FOLLOW HIS LAEKEN MANDATE,  
ENDING THE CONVENTION IN MARCH 2003 AND PUBLISHING HIS REPORT  
2-3 MONTHS LATER. THE ITALIAN PRESIDENCY SHOULD START WITH  
THE OPENING OF THE INTER GOVERNMENTAL CONFERENCE (IGC) AND  
FINALIZE RESULTS BEFORE THE END OF ITS PRESIDENCY.  
HIGHLIGHTS OF THE PRESIDENCY WOULD INCLUDE THE TWO EUROPEAN  
COUNCILS, WHICH WOULD BE HELD IN BRUSSELS IN ACCORDANCE WITH  
EU PROPOSALS IN THE NICE TREATY, THE OPENING OF THE IGC, AND  
ITS CULMINATION IN THE SIGNING OF A SECOND "TREATY OF ROME."  
TO CEMENT THE INSTITUTIONAL DEAL, ITALY WAS WORKING WITH  
FRANCE AND THE UK. THE UK COULD SCUTTLE ITALY'S TIMING IF  
THEY CALLED A REFERENDUM BEFORE SIGNING, THOUGH CASTELLANETA  
ADDED THAT THE SPANISH WERE ALREADY ON BOARD. HE NOTED THAT  
THE ITALIAN PRESIDENCY WOULD HAVE TO PUSH THIS APPROACH AS  
CONFIDENTIAL

PAGE 03 ROME 05255 03 OF 03 280907Z  
THE "LARGE STATE PRESIDENCY" SCHEDULED BETWEEN GREECE AND  
IRELAND. AMBASSADOR SCHNABEL CONGRATULATED CASTELLANETA ON  
ITALY,S CAREFUL PREPARATION. CASTELLANETA NOTED THAT FOR  
THE FIRST TIME IN YEARS, THERE WAS "A STABILITY IN ITALIAN  
POLITICAL LIFE." IT WAS RARE THAT AN ITALIAN GOVERNMENT  
COULD BE CONFIDENT THAT IT WOULD REMAIN IN POWER 18 MONTHS  
HENCE.

TURKEY  
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14. (C) CASTELLANETA NOTED THAT BERLUSCONI FELT THE  
ITALIAN-TURKISH RELATIONSHIP WAS IMPORTANT, BUT THAT THE  
ISSUE HAD BEEN POLITICIZED. HE WAS DISSATISFIED THAT NO DATE  
HAD BEEN SET FOR TURKISH ACCESSION. CASTELLANETA HOPED THE  
GAERC AND SUBSEQUENT BRUSSELS SUMMIT MEETING ON OCT 24-25  
WOULD GIVE TURKEY SOME HOPE OF A DATE CERTAIN FOR ACCESSION.  
EUROPEANS MUST BALANCE THEIR CONCERNS WITH TURKISH POLITICAL  
REALITIES. JUST AS IT WAS "KEEN ON TURKEY", ITALY ALSO  
SUPPORTED ROMANIAN AND BULGARIAN ACCESSION BY 2007.

BIOTECH  
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15. (C) ON BIOTECHNOLOGY, DCM SKODON CAUTIONED THAT WE WERE  
HEADED TOWARDS A MAJOR TRADE DISPUTE WITH THE EU.  
CASTELLANETA NOTED THE DEBATE REMAINED OPEN, THOUGH ITALY,S  
AGRICULTURE MINISTER ALEMANNIO REMAINED LESS SO. BERLUSCONI,  
WANTING TO CAPTURE THE BENEFITS OF AGRICULTURAL  
BIOTECHNOLOGY, HAD ASKED ALEMANNIO TO WORK TO REASSURE THE  
PUBLIC USING TESTS AND SCIENTIFIC EVIDENCE THAT GENETICALLY  
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PAGE 04 ROME 05255 03 OF 03 280907Z  
MODIFIED PRODUCTS WERE SAFE. AMBASSADOR SCHNABEL NOTED THAT  
THE DISCUSSION ITSELF HAD GONE ON TOO LONG. PRESSURE WAS  
GROWING IN THE UNITED STATES TO TAKE SOME ACTION. MOVEMENT  
BY THE EU WOULD BE NECESSARY TO HEAD OFF A FORMAL DISPUTE.

16. (SBU) AMBASSADOR SCHNABEL,S OTHER MEETINGS IN ROME WILL  
BE REPORTED SEPTEL. EMBASSY ROME DCM EMIL SKODON, USEU  
SPECIAL ASSISTANT MEGAN MARSHALL, AND USEU ECONOFF  
ACCOMPANIED THE AMBASSADOR.  
SKODON

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